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S E C R E T SECTION 01 OF 02 BAGHDAD 002860

SIPDIS

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SUBJECT: IRAQI NSC AUGUST 31 DISCUSSES COUNTERING ASSASINATIONS AND PROTECTING PETROLEUM INFRASTRUCTURE

REF: BAGHDAD 02784

Classified By: CDA Patricia A. Butenis for reasons 1.4 (b) and (d)

11. (S/REL MCFI) Summary: Prime Minister Nuri al-Maliki chaired the August 31 meeting of the Iraqi National Security Council (I-NSC) that followed up on the previous week's (reftel) discussion of preventing assassinations, detainee releases, and operations in Diyala. The Council also spent considerable time debating which ministry was responsible for the costs associated with the integration of the Ministry of Oil (MOO) Oil Protection Service into the Ministry of Interior (MOI) as the Oil Police. This debate prompted General David Petraeus to intervene and remind the Council that it was arguing over less than two day's revenue from Iraq's northern oil pipeline. End Summary.

Assassinations Follow-up

- 12. (S/REL MCFI) The PM solicited an update from MOI Bulani on steps being taken to thwart the assassinations on the rise in Baghdad. Bulani replied that a ministerial working group had met to formulate a response, adding this group was already aware of the radio communications difficulties between MOI and MOD personnel at checkpoints, due to each group using different systems.
- ¶3. (S/REL MCFI) Baghdad Operations commander (BOC) General Abud insisted that confronting assassination cells would require the same planning, coordination, and operational security as Counter-Terrorism operations. Abud said they were looking for Iraqi intelligence agencies to provide more actionable information. The Counter-Terrorism Board (CTB) Director and the Deputy Director of the Iraqi National Intelligence Service (INIS) agreed that there are six key locations being used by assassination cells during their attacks. MOD planned to chair a meeting of relevant agencies the next day at the Baghdad Operations Command to chart out next steps.

Target Lists and Detainees Release

- 14. (S/REL MCFI) Shifting topics, the Deputy Minister of State for National Security noted that some individuals his agents had targeted for arrest were not being detained. He also complained of the need to present witnesses to obtain an arrest warrant, exposing valuable sources to intimidation and murder. He also admitted that some people were afraid to cooperate with his agency because they suspected it had been infiltrated, suggesting that the infiltrators were criminal or insurgent elements. Chief of Staff of Iraqi Ground Forces General Babakir Shawkt echoed this point, noting that his greatest fear for the Iraqi Security Forces was infiltration by enemies of Iraq.
- 15. (S/REL MCFI) The D/INIS segued the conversation into

concerns that targeted individuals were being released precipitously, drawing the observation from the PM that some of those given amnesty were now committing crimes. The PM reluctantly admitted that the problem was difficult to clear up because the Amnesty Law allowed many guilty of criminal activities to be released.

16. (S/REL MCFI) General Abud and others then discussed the need for better sharing of intelligence and cooperation between the police, military, and intelligence services. As the discussion began to devolve into finger-pointing, the PM switched topics.

Diyala Operations

17. (S/REL MCFI) COS General Babakir Shawkt reported that the overall security situation in Diyala was 70 to 80 percent better than it had been. Shawkt, however, complained that people were returning to Diyala only to find that their homes had been destroyed or they did not have drinking water. Shawkt noted the lack of satisfactory infrastructure in Diyala, calling for redevelopment of the drinking water and irrigation systems and construction of housing to revitalize Diyala's economy and to accommodate returning internally displaced persons (IDPs). He also noted 3500 recently hired police officers had not been paid and asserted that they needed procedures for hiring more police. MOD offered to have funds from MOD's budget transferred to pay these MOI personnel to retain them in the Iraqi Security Forces. The PM asked what was being done with 100 million dollars of reconstruction funding for Diyala and wondered why wells were

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not being dug with the money. The PM and Deputy PM Barham Salih had a short sotto voce sidebar at which they discussed resolving the funding issue with the Minister of Finance by 10 September.

Who Pays for Ministry of Oil Police?

- 18. (S/REL MCFI) Minister of Oil (MOO) Shahristani briefed the council on the success in the rehabilitation of the oil pipeline to Baghdad from the Bayji oil refinery complex, which he said was 80% complete and should be ready for operations September 16. Following up on this, he noted the difficulties he and the MOI had encountered in funding the Oil Police who protect oil and natural gas infrastructure following the transfer of those police to the MOI from MOO. Both he and the MOI blamed the Minister of Finance (MOF) for the problem.
- 19. (S/REL MCFI) Over the next thirty minutes, the Council witnessed the three ministers seeking to justify their actions to date and fix blame for any failures on the others. (Note: Halfway through the back-and-forth accusations, the PM $\,$ was passed a note, left the room and did not return. End Note.) For example, while MOI admitted it should pay its personnel, calling for a supplemental from the MOF, it complained that it should not have to pay for housing and police infrastructure to be built on MOO properties. Salih attempted to move the discussion forward in a productive way, pointing out the MOF's obligation to provide funds to the Oil Police now in the MOI with supplemental funding. The MOF countered that the national budget should not pay for Oil Police who protected the assets of two companies. (Note: Iraq's oil resources are produced and distributed by two state-owned enterprises, one for northern oil fields and one for southern oil fields. End Note.)
- 110. (S/REL MCFI) Commanding General of MNF-I General David Petraeus intervened, characterizing the council,s discussion as "nonsense". He stated that the members of the council were wasting time arguing over whose budget would fund 80 million dollars annually to protect the national petroleum

infrastructure, a vital artery for Iraq whose northern exports alone yielded over 80 million dollars in as little as two days. General Petraeus added that in contrast to the argument over 80 million dollars, the United States already had funded 170 million dollars for the pipeline exclusion zone alone. He argued that the GOI had given the task to the MOI and, therefore, it must give the MOI the resources to accomplish the task.

111. (S/REL MCFI) Deputy PM Rafi Isawi took the point, suggesting that the MOF arrange money for the MOI, that the MOO be responsible for funding infrastructures for the oil police, and that the oil police law endorsing the transfer of responsibility to the MOI be approved and sent to the Council of Representatives. He then wrapped up the meeting before further discussion could begin, also pushing all other agenda items to the next I-NSC meeting.

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